

### REMARKS

The Examiner rejected claims 1-4, 7-8, 13-14 and 17-20 under 35 U.S.C. 102 as being anticipated by Inoue et al. (U.S. Patent No. 6,477,276). The Examiner rejected claims 5 and 15 under 35 U.S.C. 103(a) as being unpatentable over Inoue as applied to claims 4 and 13 above and further in view of Vora (U.S. Patent No. 6,463,162). The Examiner rejected claim 6 under 35 U.S.C. 103(a) as being unpatentable over Inoue as applied to claims 4 and further in view of Bhaskaran et al. (U.S. Patent No. 6,064,764).

As to independent claim 1, this claim has been amended to include the elements of dependent claims 4 and 6, which have been Canceled. As such, Applicant will address the rejection of claim 6. Contrary to what is stated in the Office Action, Bhaskaran fails to teach or suggest "wherein embedding the bit information is carried out when the quantized coefficients of the at least two blocks are not all equal to zero." The Examiner argues that Bhaskaran, col. 5, paragraph 2 teaches that in order to keep the compression rate of the encoding of images, watermark data should not be added where DCT coefficients are equal to zero. However, this paragraph indicates that a watermark bit is embedded in the case where the 63rd DCT coefficient is non-zero. However, if the 63rd DCT coefficient is non-zero, then that means that all of the DCT coefficients exist, and they have yet to be quantized. The claimed configuration, on the other hand, embeds a watermark bit in quantized coefficients.

Furthermore, if Bhaskaran's technique, in which a watermark bit is embedded where the 63rd coefficient is non-zero, is combined with the technique described in Inoue, then the compression effect of JPEG would be incompatible with the embedding of a watermark bit. As such, the combination of these inventions would result in an inoperable invention. As such, Applicant maintains that these references cannot be combined in the way outlined in the Office Action.

As such, it is respectfully maintained that independent claim 1 is in condition for allowance.

As to independent claims 17 and 19, these claims have been amended to contain elements similar to that as described above with respect to claim 1. As such, Applicant respectfully submits that claims 17 and 19 are in condition for allowance for the same reasons as claim 1.

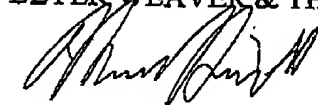
Former independent claims 13, 18 and 20 have been amended to depend from claims 1, 17 and 19, respectively.

The Examiner rejected claims 9 and 10 under 35 U.S.C. 103(a) as being unpatentable over Inoue as applied to claims 1 as evidenced by Johnson et al., ("Exploring Steganograph: Seeing the Unseen"). The Examiner rejected claims 11 and 12 under 35 U.S.C. 103(a) as being unpatentable over Inoue as applied to claims 9 above, and further in view of Ohbuchi et al., ("Watermaking Three-Dimensional Polygonal Modals"). The Examiner rejected claim 16 under 35 U.S.C. 103(a) as being unpatentable over Inoue as applied to claims 13 and further in view of Rhoads. (U.S. Patent No. 6,122,403).

As to dependent claims 2-16, 18 and 20, these claims are also patentably distinct from the cited references for at least the same reasons as those recited above for the independent claim, upon which they ultimately depend. These dependent claims recite additional limitations that further distinguish these dependent claims from the cited references. For at least these reasons, claims 2-16, 18 and 20 are not anticipated or made obvious by the prior art outlined in the Office Action.

Applicants believe that all pending claims are allowable and respectfully requests a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

Respectfully submitted,  
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